

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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SF 220 - School Infra., Local Option Sales Tax & PEPL (LSB 1477 SV)  
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Fiscal Note Version - New

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**Description**

Senate File 220 expands the permitted uses of funds from Physical Plant and Equipment Levy (PPEL) and the local option sales taxes for school infrastructure to include the purchase of software or software licensing payments exceeding \$500 per purchase, building repair in preparation for a sale, maintenance costs exceeding \$500, and repair or maintenance of transportation equipment (busses) and depreciation costs for leased transportation services.

**Assumptions**

- The Bill does not increase limits on PPEL or local option sales taxes for school infrastructure rates. The maximum board-approved PPEL levy is \$0.33, and the maximum voter-approved PPEL levy is \$1.34. An income surtax may be used in combination with the voter-approved levy but not to exceed the amount of revenue that would be raised by the maximum levy.
- Of the 367 school districts, 337 have the board-approved PPEL. Of these districts, 309 are at the maximum rate, and 28 are below the maximum. For the voter-approved PPEL, 257 have PPEL; 37 are at or above the maximum rate, and 220 are below the maximum rate.
- In FY 2005, PPEL is projected to provide school districts with revenues of \$98.7 million.
- School districts below the maximum have the potential to raise an additional \$2.1 million in board-approved PPEL revenues and \$64.7 million in voter-approved revenues.

**Fiscal Impact**

Senate File 220 will not have an impact on property taxes or sales taxes since it does not affect the maximum rates that may be applied by the Physical Plant and Equipment Levy or the local option sales taxes for school infrastructure.

**Sources**

Department of Revenue  
Iowa State Association of Counties  
Iowa Association of School Boards  
Department of Management (School Aid Data)

/s/ Holly M. Lyons

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March 1, 2005

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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